

CN SPEECH TO ASPI WHITE ENSIGN DINNER
Wednesday 25 November 2015
Hotel Realm

Distinguished Guests. Ladies and Gentlemen

I wish to start by acknowledging the Ngunawaal people, the traditional owners of the land upon which we meet and pay my respects to their elders past and present.

I would also like to acknowledge the contribution of indigenous Australians to the RAN over a century of service.

I now thank ASPI and Lockheed Martin for this White Ensign Dinner and the opportunity to address you tonight.

This is the third successive year in which the Chief of Navy has been invited to speak at this dinner. I am honoured to be given the opportunity.

And there is so much to discuss! It is important to highlight that we are on the cusp of strategic change for Navy that arguably occurs once every hundred years.

The debate is not on whether the Navy is to be rebuilt and expanded. Rather it is now on 'how' we achieve the recapitalization of Navy.

Reflections on the National Maritime Mindset 1911 – 2011

Importantly 2015 is the year that saw Government announce that Continuous Shipbuilding will be a permanent feature in the Nation's industrial landscape – surely, this is not an outlandish notion for a maritime nation.

To understand why that decision marks the beginning of a new maritime and naval era, I want to briefly look back over the century of the RAN's existence.

Let me start by reflecting on the writing of my learned colleague Rear-Admiral James Goldrick.

In a speech to the Australian Naval Institute in 2011, he spoke of the Australian Navy and the way that its capabilities have developed.

He suggested that the last century saw the progressive evolution of four generations of Australian 'fleet units'. Each fleet unit was designed to meet fundamental changes in both the strategic environment and in the contemporary technology of naval warfare.

He opined that we were now at the start of a fifth generation of national naval capability. This assessment, though fundamentally simple and obvious, is of profound importance. Four years on, I contend we are well advanced in the move to this new, fifth 'fleet unit'. A 5th generation Navy

The leap in capability that we are currently making can be compared to that achieved with the first unit of 1913—centred on the battle cruiser *Australia* but including two of the new long range submarines—and also the third Fleet unit of 1948 which included the light carrier *Sydney*.

But I would argue that this fifth ‘fleet unit’ is an even greater advance, both relatively and absolutely, because it affects so many areas of warfighting and operations—and because it will be integrated and networked with the Air Force and Army and with other Defence assets to a much greater degree than ever before.

Let me emphasise here that this is very much a joint effort, indeed it is an endeavour ‘beyond joint’, because its achievement involves very much more than just the three combat services.

Getting the enablers of intelligence, communications and logistics right will be core to achieving our ambitions—a view that I know is fully shared by my fellow Chiefs of Service, the Vice Chief and the CDF.

That said, you have only to look at the ships that form the vanguard of our change to understand the magnitude of what is being done, and not just by Navy.

Ships *Canberra* and *Adelaide* will allow the Australian Defence Force – a term I use deliberately in this context - to deploy and project both hard and soft power around our maritime region (and around our own coasts) in many ways and in many different contingencies – to a degree and with a level of confidence we have never before enjoyed.

We have already achieved a level of capability with the company strength Amphibious Ready Element which will provide us with a more robust and sustainable amphibious response than at any time in the ADF's peacetime history, a capability which will have real utility in humanitarian assistance and evacuation operations.

The amphibious exercises off Cowley Beach in August this year with HMAS *Canberra* exceeded our expectations. Just yesterday I declared her to be at Initial Operating Capability.

We will commission her sister ship *Adelaide* next month and with that will continue the certification process of the ADF amphibious capability.

With the full battalion based battle group, that is the core of the Amphibious Ready Group, we will have the potential, at relatively little notice, to deploy substantial combat power from the sea, something which has already repeatedly proved so important in the stabilisation operations which we have conducted in the region.

In terms of maritime combat power, we already have more than a taste of what is to come in the modernised *Anzac* class frigates.

Their new CEA radars (very locally produced) and combat systems are world leading technology that will allow our surface forces to operate with a much greater degree of confidence against the airborne anti-ship threat.

This is not just idle speculation. HMAS *Perth*'s performance at the Pacific Missile Range facility last year proved the worth of the recent modernization and demonstrated the ANZAC's capability as an escort for the LHD.

That said ANZACs are approaching the limits of development margins and the government's commitment to the future frigate is timely.

As an aviator I am well pleased with the introduction of the MH 60 Romeo helicopter. It is now at sea in the *Anzac* class and is a leap in anti-submarine capability – a tremendous asset which the most modern submarines will find very difficult to counter. It also provides new elements of anti-surface capability in its sensor fit and *Hellfire* missiles

It could not be more timely. As I speak here we have a major fleet concentration period happening off the east coast, where a number of our submarines are involved in rebuilding our latent Fleet ASW skills.

And I eagerly await the arrival of the new Air Warfare Destroyers. I have made my point before about the delays in this project and will not repeat them here.

But this capability is critical as we are to meet the demands government has on us in the region. The DDG will provide a capability to dominate the maritime battlespace through their AEGIS system and their SM-2 missiles in a way that we have never had before.

But importantly this will also be a capability that will complement, and be complemented by, the Air Force's *Wedgetail*.

The ability to share sensor and tracking data that these two major platforms bring to the battlespace will allow them to capitalise on the full capabilities of the long range SM-2 missile and its successors to an unprecedented degree.

No longer will our anti-air weapon range be confined to the radar horizons of our surface ships. A cooperative engagement capability is essential across the ADF and indeed across our Allies.

This is an important point. I have talked elsewhere of our need to focus on the lethality of our systems because it is lethality which creates combat power and true deterrent effect.

And it is not about the vulnerability of individual platforms to individual weapons. It is about a systemic approach to collective defence and offence.

A force centred on an Air Warfare Destroyer and our other seaborne elements, supported by *Wedgetail* and other airborne systems such as the JSF, *Super Hornet*, *Growler* and the P8 maritime patrol aircraft will have the ability to dominate an area in which it operates.

The *Collins* class submarines, now providing a far greater availability than they did 3-4 years ago, and their successor will have an equally significant part to play, whether operating independently to attack and destroy the adversary's capabilities, or in support.

What we are developing, in sum, is a maritime capability which will be able to operate as a coherent national task force, or as a major element – often a leading one – within a coalition.

It will be a collective capability that will be able to deal heavy blows to an adversary and at very long distances.

But it is clear that the maritime warfare challenge is becoming ever greater as long range anti-ship missiles proliferate and submarines become ever more common in the Asia-Pacific – and as remote sensors, satellites and unmanned vehicles become available to more and more operators.

To maintain the edge and to have true deterrent effect, we must be ready to take the tactical offensive.

We need to have the ability to use what has long been termed the ‘knowledge edge’ to reach out and destroy the adversary before the latter can use their weapons against us.

This requires just the combination of enablers, platforms and systems that I have been describing to you. Its where Jericho meets Pelorus (and indeed Bersheeba). It’s a thought process as much as anything. Its what Joint force design will seek to achieve under the First Principles Review.

Making it Happen

Now – Even though we have achieved a lot in moving towards our ‘Fifth Fleet Unit’, I am well aware that many challenges remain. Many of these relate to our capacity to progress this necessary recapitalisation.

I am monitoring the progress of the Air Warfare Destroyer program very closely. *Hobart* is in the water and fitting out, with a planned acceptance into service of 2017. *Brisbane* is getting ready for launch and I laid *Sydney*’s keel this month at ASC. I will not defend the saga of delays.

The reform program is underway and will strengthen the ability to improve productivity in ships 2 and 3.

But we need to ensure that the lessons of this project are not only applied to getting it back on track, but to everything that we do in the future.

I am enthusiastic about the prospect of a sustained, national and effective shipbuilding program that will allow the Navy to reach and maintain the levels of capability that it will need in an increasingly complex strategic environment.

But I am also acutely aware of the point that has recently been emphasised by the Minister of Defence.

As Senator Payne has said, ‘Australia cannot afford a shipbuilding industry at any price.’ To continue with her words,

‘ the Government, the Department of Defence and Australian industry, working with selected international partners, will need to work closely together to develop a plan that ensures we can deliver these three critical Defence capabilities – Frigates, Offshore Patrol Vessels and submarines – in a manner and way that meets schedule, cost and capability requirements.

It’s something that each of us here will need to contribute to, to ensure that we are successful.’

Looking around this room, I think that her remarks apply equally to this audience—there are many here who will be making this happen.

And let me here commit Navy to doing its best to ensure that, in seeking to get the capabilities that we need (not want – but need!), when we need them (a key point), we help and not hinder the Defence organisation and industry.

I met with members of industry last week at the Submarine Institute of Australia and yesterday in Canberra to talk about my priorities and to reaffirm the need for ship building to be a national enterprise undertaken with a 50 year horizon.

I stressed the key relationships I see between Deterrence, Lethality, Availability, Sustainability and Affordability. Each part affects the others but overall it ties industry to Navy inextricably. But it is affordability that must be emphasised at a time of lower economic growth and competing claims for funding.

Andrew Davies and Mark Thompson have pointed out the difficulty of ring fencing money for defence.

But surely the real question is can Australia afford not to build the Navy that will meet our current and future needs?

Defence budgets in our region are rising in relative and absolute terms and new ships and submarines are being launched every month.

The precautionary principle requires that Australia has a fleet that keeps pace with those in the region because we cannot know where, and under what circumstances, our ships will be operating in the 2020s and beyond.

That is not going to be easy but the alternative is a slow withering on the vine of our maritime capability.

It is my view that continuous shipbuilding now provides us, *for the first time*, an opportunity for ‘evolution’ to become an underpinning factor in the strategic calculus for our fleet’s design and delivery.

In this vein, the fleet unit can continuously evolve in a managed, deliberate and affordable manner.

Why? Because we will truly embrace the nation as the owner of our Navy. ‘Gold Plating’ a one off-solution will become an outdated phrase as ‘evolution’ and ‘continual improvement’ will permeate our capability planning and a national psyche.

We can now view sustainability, availability and affordability through a new and different lens. Perhaps we will stop asking “how much something costs” and instead ask ourselves “what an investment is worth”?

And whilst we are at it, lets take a business approach to sustainment, workforce, basing and infrastructure needs. Think differently.

OPV CEP and Design - Armidale replacements.

We are already working to make sure that we can meet the Government's commitment to an ambitious continuous naval ship building program.

The date for cutting steel for our new Offshore Patrol vessels is set at 2018, while the first of the Future Frigates will be just two years behind in 2020.

This schedule is, to say the least, very tight. To meet the OPV deadline we will be building an existing design with only a very few necessary changes to meet the contemporary needs of the ship's maritime security roles.

We have neither time nor need to be making non-essential changes which will add cost and cause delay to the OPV program, particularly in the key area of detailed design work that has been the source of so much trouble in the past.

We need disciplined and deliberate actions – now I can see your eyes roll at this suggestion from a senior defence member. But the evidence suggests that we have done this recently. Indeed, these are the very things that the reinvigoration of seaworthiness has brought us in Navy following the decommissioning of *Kanimbla* and *Manoora*.

Current disciplined approaches have seen ship availability increase dramatically – *HMAS Success* and *Tobruk* are great examples.

Now, the OPV Competitive Evaluation Process has already started. It needs to because our fleet of *Armidale* Patrol Craft, which the OPVs will replace, are displaying the hull wear and tear that is the result of the hard lives they have lived on border protection and patrol duties over the last decade.

Future Frigate CEP

For all intents and purposes the Competitive Evaluation Process for the future frigate has also commenced.

We are not short of international contenders for that program and decisions will need to be made sooner rather than later about which design we will choose to build here in Australia.

I repeat Government requires us to be cutting steel on the first future frigate in 2020 - and I am confident that we can do it.

But to do so, we will need to think differently about our approach to acquisition and asset management. We will need to embrace new concepts; – ship zero; sustainment in design, true asset management. We need to consider new basing arrangements and manning concepts. We need to be innovative and agile.

There are opportunities here to rethink how Navy contributes to the effects required of the ADF. That is my commitment.

Most significantly this time when we start building the future fleet we will not stop.

This will be a National Enterprise which will provide the Navy with new and better ships at regular intervals, the drumbeat - not just once in a generation but indefinitely. Think about it.

Future Submarine CEP

But while I'm at it, I'll mention that the Future Submarine Competitive Evaluation Process is moving to its next stage.

The Government's preferred system is the United States submarine combat system and the Mark 48 Mod 7 torpedo.

Whichever of the two contenders is selected as the combat system integrator, will represent not only a key element of the future capability, but a key source of continuity with the *Collins* class.

It will allow us to build directly upon much of the technical and tactical experience that we have built up in recent years.

The Sustainment Force

My emphasis on the importance of the enablers in generating lethality and real combat power would not be complete without mention of the project to acquire two new fleet replenishment ships.

We expect to select the winning design and builder next year. Apart from the benefits of being a single type, the pair will be a considerable advance on the capabilities of the ageing *Success* and the converted *Sirius*.

These ships have done great work, but it is time to move on if we are to provide our maritime forces with the reach and persistence that they require and evolve a true task group capability.

So there you have it – Recapitalisation of the Navy. But as important to me is the opportunity to re think sustainment, basing, manning and industry relationships.

Conclusion

Each CN has challenges to face.

I consider myself fortunate that many of my challenges relate to the speed at which we need to build new ships and prepare the Navy for the rest of the 21st century.

But we need to change attitudes and behaviours in our work force, change our thinking, change our way of doing business.

And I see this occurring, incrementally at the moment but the momentum is starting.

Our sailors are enjoying the new ships we have commissioned and looking forward to the future fleet coming out of our shipyards.

I hope I have demonstrated tonight, that Navy is on course to take command of and operate that future fleet.

I am confident that with the consistent backing and funding of this Government and its successors we will meet the need for security at sea required of us by the Australian people.

We will have a fleet that can continue to meet the Navy's mission – to fight and win at sea.

Let me close with a quotation from my predecessor of the immediate-post World War II era, the man as much as anyone responsible for the conception and creation of the Third Fleet Unit, based on the fixed wing aircraft carrier.

Admiral Sir Louis Hamilton wrote:

A navy does not drop from the clouds. It is a miraculous and delicate instrument, a creation of nerves as well as steel, united with blood as well as rivets, it is in many ways the greatest expression of a nation's genius.

Nearly seventy years later, his words still ring true.

Thank You